THE POLICY OF THE TAX UPON RETAILERS CONSIDERED: OR, A PLEA IN FAVOUR OF THE MANUFACTURERS.

Il n'appartient qu'au véritable homme d'Etat, d'elever ſes vues dans l'aſſiette des impôts plus haut que l'objet des finances; de transformer des charges onereuſes en d'utiles reglemens de police, et de faire douter au peuple, ſi des tels établiſſemens n'ont pas eu pour fin le bien de la nation, plutôt que le produit des taxes.

ROUSSEAU, ſur l'Econom. Politique.

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POLICY

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BRITISH MUSEUM
30 MAY 73

THE POLICY OF THE TAX UPON RETAILERS CONSIDERED.

MR. PITT, in having procured a law to be enacted, impoſing a Tax upon Retail Shops, has been deemed, not only by many of the immediate payers of that tax, but by others who have not ſuffered themſelves to conſider the political tendency of it, to have choſen an improper tax. I propoſe, therefore, in the following diſcourſe, candidly to examine whether the Chancellor of the Exchequer, in fixing upon ſuch a tax, can be juſtified by the authority of any political writers, either foreign or domeſtic; or whether

plain arguments ſuited to the comprehenſion of unlettered men, as well as of the more knowing in the ſcience of politics, may not be found to ſupport him in having adopted it? My preſent ſituation does not admit of my having much intercourſe with political or commercial writers; nevertheleſs I have met with ſeveral, who ſtrongly recommend ſuch a tax, if not in direct terms, by the plaineſt implication; and I have not met with any writer that condemns it.

To begin with domeſtic authorities. Carew Reynel, Eſq; who wrote a ſmall but very judicious treatiſe on trade in the reign of Cha. II. has, in p. 46, the following reflections on Retailers: "Retailers make no productions; "but only paſs the money already gotten "from one to another, gaining only by each "others loſs; whereas manufacturers and arti- "ficers breed and maintain people upon a "grounded ſtock, ſupplying us with neceſſa- "ries we could not have otherwiſe, giving us "alſo occaſion to tranſport commodities, and "in exchange bring in abundance of more "riches. Holland, for the bigneſs, hath twice

"the

" the populouſneſs and trade that we have,
" being the richeſt ſpot of ground in the uni-
" verſe; and yet have but few Retailers; but
" they chiefly conſiſt of merchants and
" manufacturing men, which is a greater ad-
" vantage to the Public."

Britannia Languens was printed in the year 1680, and has always been looked upon as a very ſtandard book in matters of trade, tho' the retroſpect of an hundred years now ſhews us, that the author's ſyſtem was not always juſt, and that many of his apprehenſions were groundleſs. In general, however, his obſervations are penetrating and judicious, and ſome uſeful information may be extracted from his work. In regard to Retailers he obſerves, p. 27, " They are a ſort of traders, who live
" merely *by buying cheaper and ſelling dearer*
" *at home*, whom we call Shopkeepers. Theſe
" may advance their private ſtocks and eſtates,
" by buying cheaper and ſelling dearer; but
" they cannot thereby add a penny to the
" national riches; ſo that it may be truly
" ſaid of one poor manufacturer, that he adds
" more in a year to the wealth of the nation,
" than all ſuch Retailers and Shopkeepers in

" England." Again, in p. 132, " As our " manufactures have decayed, ſo have Shop- " keepers of all kinds increaſed. Our cities " and corporations are ſtuffed with them " more and more, there being at leaſt ten " times more in the nation than were twenty " or thirty years ſince." Again, p. 234, " It is impoſſible that the occaſions, vanities, " or the remaining ſtock of the kingdom, can " ever ſupport ſuch a prodigious increaſe of " Retailers and Shopkeepers as are in and " about London, being near an hundred " thouſand in number, when in Amſterdam " there are not five thouſand."

Another judicious treatiſe, publiſhed much about the ſame period, and containing many new political and commercial ideas, ſeveral of which have been ſince adopted by the legiſlature, and now form part of our internal regulations, has the following remark upon Retailers: " The ſupernumeraries in all retailing " trades, who contribute little or nothing to " the charge of the ſtate, ſhould be pared off, " and made uſeful to the Public.——And to " ſpeak more freely, 'tis unreaſonable and " impolitic, eſpecially in a great and over-

" grown

" grown city to ſuffer any retail trades to
" be managed by men, when women may do
" much better. They will invite cuſtomers
" more powerfully than men can, and when
" not ſelling, will not be idle, their needles
" employing them; while the men, perhaps
" from two to ſeven luſty fellows, ſit idle moſt
" part of their time, with their hands in their
" pockets, or blowing their fingers, few of
" theſe ſort of trades finding one with ano-
" ther above two hours work in the whole
" day."

Melon, the famous Melon, mentioned with eulogiums by Voltaire and other French writers, ſpeaks of Retailers in the following terms: " *L'Ouvrier* doit être long-tems ap-
" prentif pour faire de bonne marchandize.
" A peine eſt-il neceſſaire que le *Vendeur* la
" connaiſſe; car ſi dans un inſtant il ceſſoit
" d'y avoir des maîtres marchands bouti-
" quiers, les manufacturiers n'auraient qu'à
" envoyer leurs commis, ou leurs valets avec
" leurs marchandiſes etiquetées de la fabrique
" et du prix, et tout rentreraient dans l'ordre.
" Le peuple dit ſagement de ſes marchands

" boutiquiers, VENDEURS *de tout*, FAISEURS
" *de rien.* Le boutiquier ne merite que les
" égards dus au citoyen facile à être rem-
" placé; mais le manufacturier merite toute
" l'attention du legiſlateur. Nous avons vu
" animer et couronner les travaux des Cadoz
" et des Van Robetz, par des lettres de
" nobleſſe, des penſions, et des privileges,
" graces que perſonne ne doit envier à ces
" Fondateurs d'une école eternelle d'ouvriers
" toujours de plus en plus utile à l'état."

This in Engliſh is to the following purport. " To be able to make good merchan-
" dize, the workman ought to be a long time
" an apprentice. It is almoſt not neceſſary
" for the Retailer to know any thing more
" about what he ſells than the price; for let
" us, for an inſtant, ſuppoſe there were no
" Retailing Shopkeepers, the manufacturers
" would only need to ſend their clerks or
" their ſervants with their manufactures,
" having the quality and the price marked
" upon them, and every thing would imme-
" diately be as it ſhould be. The common
" people ſay very ſhrewdly and ſenſibly of
" thoſe

" thoſe Retailing Shopkeepers, SELLERS *of*
" *every thing*, MAKERS *of nothing*. The Re-
" tailing Shopkeeper is only entitled to that
" regard, which is due to a citizen whoſe loſs
" may eaſily be ſupplied; but the manufac-
" turer is entitled to all the attention of the
" legiſlature. We, in France, have ſeen the
" labours of a Cadoz, and of a Van Robetz
" animated and crowned by patents of nobi-
" lity, by penſions, and privileges, favours
" which ought not to excite the envy of any
" one againſt thoſe Founders of an eternal
" ſchool of manufacturers, a ſchool every
" day more and more advantageous to the
" nation."

The very judicious author of Conſiderations on the Preſent State of the French Colony of St. Domingo, ſtyles Retailers, " Marchands de " la ſeconde main, qui font des gains fictifs;" that is, " ſecond-hand merchants, whoſe gains " are no gains to the nation."

A more diligent enquiry would probably produce more authorities to the ſame purpoſe; but I perſuade myſelf the preceding quotations afford

afford evidence ſufficient to prove it to be the opinion of ſome of the beſt political writers, both of England and of France, That a multiplicity of Retailing Shopkeepers is not beneficial to a nation; or that, in a populous and manufacturing country, Retailers ought to be regarded as a detrimental claſs of idlers and conſequently that a regulation, judiciouſly contrived for leſſening their number, would reflect honour on the contriver, and be the means of greatly advancing the wealth and proſperity of the nation.

Retailers ought, I think, to be conſidered as a detrimental claſs of Idlers in a double reſpect; firſt as withdrawing their induſtry from the general ſtock, which is one loſs; and again as drawing their ſubſiſtence, not from foreign countries by means of trade; but from the induſtry of their fellow-ſubjects, which is a heavy tax upon thoſe fellow-ſubjects, and a ſecond national loſs. An eſtimate of thoſe two loſſes, which the nation annually ſuffers in conſequence of the numerous body of idle Retailers, will, I think, fully demonſtrate the great political propriety of diminiſhing their

number,

number, and thereby eaſing the people of an annual tax of ſeveral millions, and prove the great wiſdom of the Legiſlature in adopting ſuch an expedient by the late tax.

Let us firſt conſider the amount of the annual loſs by the Retailers witholding themſelves from induſtry; or in other words, what addition might be made to the annual national ſtock, if all thoſe who unneceſſarily make ſhopkeeping their ſole occupation, were forced to apply themſelves to manual labour and induſtry. The Retailing Shopkeepers in London, we have ſeen, are computed by the Author of *Britannia Languens* at near an hundred thouſand. But as this muſt certainly be a great exaggeration, we ſhall reckon them only twenty thouſand; and ſuppoſing London one tenth of the whole kingdom, the number of Retailing Shopkeepers in this iſland will be two hundred thouſand. Of thoſe two hundred thouſand Retailers, ſuppoſing but one hundred thouſand were, by a judicious tax, to be made to turn themſelves to manual labour, they might very juſtly be computed to gain a ſhilling a day one with another, which, allow-

ing 300 working days in the year, amounts to the ſum of 1,500,000 l. This would be a clear addition to the annual national ſtock, or a real augmentation of the General Wealth; and if, inſtead of one ſhilling a day, they could each earn two ſhillings, the national advantage would be proportionably greater. Whereas at preſent the more they gain it is ſo much the worſe for the nation, as thoſe gains chiefly come out of the pockets of their induſtrious fellow-ſubjects, who are conſequently leſs able to ſuſtain other burdens.

Let us next examine what immenſe ſums are levied upon the people by Retailers. Suppoſing the two hundred thouſand Retailers by their preſent buſineſs to gain, one with another, at an average, two ſhillings a day, and reckoning 300 ſhop-days in the year, this will annually amount to ſix millions of pounds; a heavy tax raiſed chiefly upon the induſtrious labourer, and gentleman of fortune. I have taken the medium of their retailing profits at two ſhillings, ſuppoſing the meaneſt village Retailer to gain about three-pence, and the wealthieſt in the cities not to gain above twenty

twenty ſhillings *per* day, which is certainly a very low rate; for few Retailers in the meaneſt villages but gain ſix-pence or eight-pence a day; and in the populous cities, particularly in the capital, how many would not open ſhop, if they were not to gain three or four pounds a day? Nay, ſome are mentioned in London, who clear ten pounds a day. If this be conſidered, the medium profit of two ſhillings *per* day, will appear much too low; and we may well ſuppoſe the annual ſum levied by the Retailers upon their fellow-ſubjects, to be above ten millions: And for what do the people pay the greateſt part of thoſe ten millions, but to maintain a claſs of Idlers, one half of whom, inſtead of employing their time in ſupplying their cuſtomers with the manufactures of others, ought to be adding to the national ſtock of manufactures by their own labour? The poor rates for Great Britain, joining the expence in Scotland to the rates in England, may amount to the ſum of two millions annually; and this is a burden frequently complained of, not certainly as a tax for ſupporting the needy and the helpleſs, which humanity will always pay without

murmuring; but as a tax for ſupporting the idle drones in ſociety. Yet we have hitherto inadvertently overlooked a tax perhaps three times as great, paid annually for the ſupport of thoſe, one half of whom may be ſaid to be of as little benefit to the public as thoſe enrolled upon the poor's books.

From the above eſtimates I think it may be concluded, that the Retailing buſineſs, however beneficial it may be to thoſe who follow it, is far from being beneficial to the nation in general. In one view, the Retailers tax the public annually ten millions for *nothing**. And in another view, their idleneſs, or the idleneſs of even about one half of them, has the effect of rendering the general national income one million and an half leſs than it would otherwiſe be.

Were all the Retailers to become manufacturers, and to ſupport themſelves as many

* National taxes are not given for *nothing*; but are repaid by national defence, and conſequently are obligatory upon every ſubject, whether every individual give his conſent or not, provided the majority of the Legiſlature conſent.

manu-

manufacturers do, by the profits on their work alone, the nation would have actually above two millions a year more to ſpend of real income, and at the ſame time would be eaſed of an out-going of above ten millions; both which together would occaſion an augmentation of national opulence nearly equivalent to the annual ſum of twelve millions.

It would be a vain thing to expect ſuch a perfect ſtate of domeſtic policy and regulation ever to be attainable; but a wiſe government will endeavour to approximate towards it: and the preſent tax upon Retailing Shopkeepers, if but candidly and politically conſidered, will be found to be ſuch an approximation, and to be the beſt financial operation that any adminiſtration has effected for theſe twenty years paſt. That the act impoſing the tax, is not in all points perfect, I moſt readily acknowledge; but what financial act is at firſt ſo complete as not to require after-amendments.

The chief amendment I would propoſe is, That manufacturers ſelling goods manufac-

tured by themſelves, ſhould be exempted from the tax, provided thoſe goods are expoſed to ſale in the ſame pariſh where they are manufactured. With this amendment the principle of the act ought ever to be moſt ſtrenouſly adhered to by the Legiſlature; for it leads to reduce to practice that beſt of all œconomical and financial maxims, IF ALL WOULD WORK, NONE WOULD WANT. The principle of the act, I will venture to ſay, never had a fair conſideration, or it would not have had any oppoſition given to it by a Martin, a Dempſter, a Newnham, a Watſon, &c. and if candid and impartial men will but take the pains to trace the excellent political conſequences reſulting from it, I doubt not but, inſtead of oppoſing, or miſapplying public money in order to oppoſe, they will ſupport it with all their influence.

That it ſhould be cavilled at by the immediate payers, is nothing new; for what law was ever equally commodious for every one. But in the enacting of a law, what is chiefly to be conſidered is, that it be advantageous to the greater number, and profitable on the

the whole*; and certainly with the amendment I have propoſed, no financial law has a juſter claim to commendation on thoſe two accounts, than the law impoſing a tax upon Retailers. Who are they, who have been the chief murmurers againſt this law? Not the manufacturers, who would have had ſome reaſon; but the Retailers: And what are the arguments they have produced againſt it? None that will bear the ſlighteſt examination; they have confined themſelves to the general outcry of its being partial and oppreſſive, and that it will hurt their trade.

The Retailers, in calling their profeſſion a trade, are dignifying it with a name that by no means properly belongs to it. I deny that their buſineſs is a trade. It is indeed an occupation; and in many caſes a very idle occupation, which every government conducted with prudence will endeavour to keep from being too luxuriant. A trade is a ſcience or myſtery, that cannot be learned under three,

* Nulla lex ſatis commoda omnibus eſt; id modo quæritur, ſi majori parti, & in ſummum prodeſt. Orat. Porc. Cat. pro Lege Oppia, apud Liv. initio lib. 34.

or

or five, or ſeven years cloſe apprenticeſhip; nay, is ſometimes, by the confeſſion of the moſt expert tradeſmen, not completely learned after ten years daily practice and experience. But in regard to the buſineſs of a Retailer, the caſe is quite different. How many Retailers are there, both in the Capital and all over the kingdom, who before they opened ſhop never had any inſtruction in that buſineſs? How many in London, after being tired of wearing a livery coat, have taken up the buſineſs of a Retailer? Nay, could not ſome ſoldiers of the guards be mentioned, who, under the name of their wives, keep Retail-ſhops; and if they are not thereby led to neglect their military duty, the indulgence need not be denied to them. Is it not then attempting an impoſition upon our underſtandings, for the Retailers to call their buſineſs a ſcience or trade, when, as Melon obſerves, it is hardly neceſſary for them to know the goodneſs of the wares they ſell. I bought this from the manufacturer for ſo much; and if I ſell it for ſo much more, my gain will be ſo much, is a principle that has conducted many a Retailer into an ample fortune, without his being acquainted with any trade whatever.

But

But the tax, it has been alleged, is partial. In what reſpect is it more partial than many other taxes now exiſting? Nay, is it not in fact much leſs partial than many taxes that have been acquieſced in without any ſuch objection having ever been made to them?—When a tax was laid upon candles, the burners of oil were partially exempted;—when a tax was laid upon hats, thoſe who wore no hats were partially exempted;—and ſo in twenty other inſtances, by this manner of reckoning, which is evidently a falſe manner of reckoning.

The financier is like the farmer; though the farmer does not expect the ſame kind of crop from all his fields, he nevertheleſs expects profit from all of them. He does not expect hay from the fields yielding him corn, nor corn from the fields yielding him hay; yet all muſt bring in an income, or elſe he will not thrive. In like manner the financier now requires a public revenue from one kind of income, and now requires it from another, and thus by degrees includes, under taxation, all incomes over the whole ſtate,

 which

which juſtice and equity require to be included. When a duty was impoſed upon wine, did the wine-merchants ſay it was partial? and yet this tax, it might have been alleged, would not extend to the beer-drinkers, to the cyder-drinkers, and the water-drinkers. When a duty was impoſed upon porter, did the porter-brewers complain of its being partial? and yet certainly the porter-drinkers, numerous as they are, form but a ſmall body, in compariſon of the millions that muſt be purchaſers from the retailers. Is there a perſon, from one corner of the iſland to another, who has not ſome dealings with a retailer? I do not know a tax in Great-Britain, the land-tax excepted, that is ſo univerſal as this tax upon retailers; and were the number of forty ſhilling freeholders, and the owners of tenements not to be reckoned, the land proprietors throughout the whole iſland would not be ſo numerous as the very firſt payers of this tax are computed to be; but few taxes reſt with the firſt payers. It is generally deemed very falſe reaſoning to take a part for the whole; but it is no leſs falſe logic to take the whole for a part. A tax

upon retailers is, in fact (in regard to ſome of its conſequences), nothing elſe but a tax upon retail purchaſers; and conſequently, ſo far from being partial, muſt include the whole ſtate. This I ſhall conſider more particularly, under the next head of the oppreſſion of the retail tax. But, as a ſpecimen how the objectors againſt the tax have reaſoned in regard to its partiality, I ſhall firſt produce the following wonderful argument in ſupport of that point, which is the ſole argument I have ever heard uſed, to prove that the tax was partial. St. James's market, it is ſaid, though one of the ſmalleſt markets in town, yet pays conſiderably to the retail tax, when St. James's Square, occupied by rich inhabitants, does not pay one farthing towards it. How partial is this! How unjuſt! St. James's Square does not pay one farthing directly to the retail tax, for this plain reaſon, that there is not a retail ſhop in all St. James's Square. But the objectors have never once reflected, that by another branch of the budget of this very year, St. James's Square has not been forgot; and that one proprietor in that ſquare might be mentioned, who, in conſequence of

the tax upon ſervants and ſervant-maids, will pay additionally near forty pounds a year.

Let us next proceed to conſider the ſuppoſed oppreſſiveneſs of the tax. In charging the retail-tax with being oppreſſive, the objectors, I preſume, mean, that the burden of it is heavy when compared to the capital, upon which it is impoſed, or is likely to be impoſed. Suppoſe, in the firſt caſe, that the tax is to come out of the preſent profits of the retailers, and to become an actual diminution of thoſe profits, without any indemnification to the firſt payers, what will then be the amount of the burden? The tax, I think, is given for £. 140,000; and we have ſeen above, that there is reaſon to conclude the annual profits of the retailers, at not leſs than ten millions, which, ſuppoſing them two hundred thouſand in number, is but a yearly income of fifty pounds a piece, one with another, or not twenty ſhillings per week; conſequently may well be deemed a moderate average. Now £. 140,000 upon ten millions, is a contribution of little more than three-pence in the pound; that is to ſay, it is not ſuch a burden

in

in fourteen years, as the preſent land-tax is in one year, were it to be truly rated. And this is the ſubject of a blind outcry, taking the burden of the tax as lying ſolely upon the retailers.

But let us ſuppoſe the retailers not to be ſo rigidly abſtemious, as not to ſeek an indemnification of the tax, by raiſing the price of their wares upon the conſumers, what will be the burden upon the public in conſequence of that augmentation of price? As the prices of things are at this preſent day, the wares and commodities of all kinds, purchaſed annually by eight millions of people, cannot well be leſs than forty millions, upon which we have ſeen the gain is ten millions, or twenty five per cent. Now £. 140,000, impoſed upon forty millions, is little more than three farthings in the pound, conſequently ſhould the burden of the tax be borne by the conſumers, as it naturally will be, it need not occaſion a riſe in the price of commodities above a penny in the pound, or not quite one-half of one per cent. to turn the balance in favour of the retailers, or firſt payers. It now, I think, appears

appears moſt evidently demonſtrable, that whether we conſider the tax as paid by the retailers, or paid by the public, the oppreſſiveneſs of it totally vaniſhes. In the whole body of our taxes, can one be produced where the impoſition is leſs, in proportion to the capital from whence it is deducted*?

* But ſmall as this tax is upon the public, for upon the retailers it will not reſt, I could have wiſhed moſt heartily that there had been no occaſion for it, nor for others beſides, that ought ſtill to be raiſed, if we will ſupport public credit effectually, and maintain the character not only of an upright nation, but of a wiſe nation. Government taxes are, in their principle, State Neceſſities, impoſed not by man, but by nature, though in general they are regarded by the payers, as wanton exertions of legiſlative authority. Unwiſe adminiſtrations may indeed augment this neceſſity; but while the paſſions of men continue, the wiſeſt adminiſtration cannot entirely remove the neceſſity. Private individuals would no doubt thrive faſter, if they might work ſeven days of the week inſtead of ſix, or twenty-four hours of the day inſtead of twelve. But in oppoſition to thoſe who would wiſh to have all gain, and no burden, nature has impoſed a tax not only of one-ſeventh of our time, but of a conſiderable part of the remaining ſix parts. In like manner, while ambition and avarice exiſt among men, nature has ſaid, that every community muſt have defence, and muſt pay for that defence. Therefore nothing can be more contradictory to good ſenſe, or even to common ſenſe, than that wiſh of Mr. Brownlow of the Iriſh Houſe of Commons, that Ireland ſhould have every benefit, and ſtand exempt from the burdens of government. See his ſpeech, 22d July 1785.

But

But here another queſtion may be ſtarted, in which the public is very much intereſted, and which deſerves a much ſtricter examination than I can at preſent beſtow upon it, namely, whether theſe pretended oppreſſed retailers are not themſelves the oppreſſors? Much may be ſaid on this point; but I ſhall only confine myſelf to a few obſervations.—Though we are now in the enjoyment of profound peace, though the ſeas are now open, freights are lowered, and inſurance diminiſhed; nevertheleſs, how many articles in the retail ſhops are ſtill ſold at war prices. Is not this a plain proof that the retailers, when not taxed themſelves, know very well how to tax their cuſtomers, in a ſum probably twice as great as the amount of the preſent tax, and that upon a few branches of their buſineſs; and does not this circumſtance moſt fully refute that ſillieſt of all allegations, that it is impoſſible for them to raiſe the prices of the articles they ſell, ſo as to indemnify themſelves for the tax? Again, how many retail articles are there that one may purchaſe twenty per cent. cheaper in ſome ſhops than others? and yet it may be well

well perfumed, that in thoſe cheap ſhops, what is called a *living profit* is not neglected, conſequently, whatever is above that in the other ſhops, that are not cheap ſhops, is really and truly a tax upon the public, impoſed by thoſe ſhopkeepers for their own profit, and thirty times higher than that impoſed by the legiſlature; which again refutes the pretence of the impoſſibility of raiſing the prices. Of late years, how many retailers voluntarily tax themſelves by their expenſive manner of living; and in London are there not inſtances of ſhopkeepers dealing in the moſt uneſſential articles, ſuch as pomatum, lavender water, &c. who have thereby raiſed ſuch fortunes, as to keep their carriages and country houſes? What is the preſent rage of pulling down the ſhow-windows, and erecting others of greater parade, at an expence of twenty or thirty pounds, but a tax, which the ſhopkeepers impoſe upon themſelves, in the hope of indemnifying themſelves upon their cuſtomers. Thoſe new windows may gull fools; but a reputation juſtly eſtabliſhed, of having goods of the beſt quality, at reaſonable prices, would enſure cuſtomers much better than thoſe unneceſſary

neceſſary windows of parade. Do not we actually ſee many wealthy buyers go from one end of the town towards the heart of the city, to lay out their money in ſhops enjoying ſuch a reputation?

That the Public has been, and at this moment is taxed enormouſly, to maintain the great number of retailers that are now ſpread over the kingdom, may, I think, be fairly concluded, from the exorbitant profits they attempted to procure to themſelves, in one ſingle article of retail; for if one article could afford ſuch ample parings, and ſtill leave ſufficient profit behind, what may we not conjecture is the ſum of their profits upon all their articles? What I refer to, is the article of tea, which I believe the Public now buys three ſhillings in the pound cheaper, upon an average, than before the late reduction of price; and this ſaving of three ſhillings in the pound, upon thirteen millions of pounds weight, which is computed to be the annual conſumption, is a ſaving of near two millions ſterling upon one article alone. But ſuppoſing the annual ſaving upon this article to

be only one million, is it not reaſonable to conclude, from the great backwardneſs and repugnance which the retailers ſhewed to lower their prices, that if they had been let alone, they would have continued to tax the tea conſumers this million from year to year? The perſon, therefore, who firſt propoſed the means for effecting a reduction of the price of teas, has certainly laid the nation under ſome obligations to him. Now every tea-dealer profeſſes to ſell tea at reduced prices; but was there one (Mr. Bourdillon in Piccadilly excepted, whoſe plan ſeems a very honeſt and moderate one) who made ſuch a declaration, till he perceived that the prices would be lowered in ſpite of him? Though much has lately been done in this point, for the benefit of the Public; yet upon having compared the average prices of the ſales at the India-houſe, with the prices advertiſed by the retailers of tea, I am inclined to think, that there is ſtill room for a further reduction of the prices of teas; and that the ſuperfluous profit alone ſtill remaining upon this one article, would fully defray the newly impoſed tax upon the whole body of retailers.

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The preceding obſervations, in regard to the exorbitancy of the retailer's profits, chiefly relate to the capital; but if we turn our view from London to the country towns, we ſhall find that there the abuſe of high price is ſtill more enormous. I appeal to common obſervation for the truth of this: Is it not an eſtabliſhed ſubject of complaint, that many retailers in ſmall towns furniſh a bad commodity at a higher price than a better commodity may be bought for in the capital, or in ſome of the great cities? But were the country ſhopkeepers to deal fairly with their cuſtomers, they ought to furniſh as good a commodity, and as cheap, as could be purchaſed in the capital or elſewhere, making an allowance of a ſmall advance for the additional charge of carriage from thence, or from the place where the commodity is manufactured, though this additional charge is in fact more than counterbalanced by the lowneſs of rents, and the cheapneſs of living in the country. The country retailers, however, are ſo far from acting in this manner, that many families who live in the neighbourhood of ſmall towns, rather than deal

with thoſe towns, purchaſe half yearly from London many articles they want, as the cheapeſt and moſt œconomical way of ſupplying themſelves. What is this but a profeſſed acknowledgment, that they deem the profits of the country retailers an immoderate tax, to avoid which they conſent to put themſelves to the additional charge of one hundred or two hundred miles land carriage, and to loſe one half year's intereſt of the money expended?

Suppoſing this overcharge of the country retailers but ten per cent. above what are the prices in London, it will in fact prove a tax upon country purchaſers of much more than a million annually. Moſt of my country readers, I believe, will readily acknowledge that I have under-rated this additional profit of country ſhopkeepers. As an inſtance of this, in one article, I remember in December 1784, in a town near an hundred miles from London, the beſt bohea tea ſold for four ſhillings per pound, when the beſt of that ſame commodity, at the India ſales, was ſold for one ſhilling and ten pence, which, making a

proper

proper allowance for package and carriage from the capital, is the modeſt profit of an hundred per cent. When we join to the exorbitant profits of the country retailers, the exorbitant profits of the retailers in the capital, which we have ſeen have lately been reduced one million in one ſingle article, is there not the greateſt reaſon to conclude, that the body of retailers throughout the kingdom, by the high prices at which they retail their commodities, actually tax their fellow-ſubjects above two millions annually? In contraſting, therefore, the tax of £. 140,000, which the retailers are to pay to government, with the overcharge of two millions, which they impoſe upon their fellow-ſubjects, the Public may eaſily decide whether they are the oppreſſed, or the oppreſſors.

If we take the pains narrowly to enquire into the cauſes of theſe overcharges of the retailers, which, at a moſt moderate computation, exceed two millions of pounds annually, we ſhall find one of the chief cauſes to be, that the retailers are by far too numerous throughout the kingdom; for, where

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the conſumption is bounded, the ſame profits that will afford a comfortable maintenance to 100,000 people, will not maintain two hundred thouſand people. It will be worth the while to elucidate this more particularly, which will immediately prove to us the great political propriety of the preſent tax, and the happy conſequences to the Public, that may be expected to flow from it.

Let us, for example, make the ſuppoſition, that the preſent number of retailers could barely live upon their buſineſs; and that nevertheleſs, from a propenſity of idle men to that kind of life, their number went on gradually increaſing till it was actually doubled; what would be the conſequence of this increaſe of retailers? It is plain from the very ſuppoſition itſelf, that the old and new retailers could not live upon each other, or take the bread out of each others mouths; therefore, AS THEY ACTUALLY PRODUCE NOTHING NEW, the neceſſary conſequence muſt be, that as the number of retailers augmented, the prices of things would alſo augment, and when the number of ſellers

doubled, the profits would alſo double, that is, would riſe from 15 per cent. to 30 per cent. or from 20 per cent. to 40 per cent. and it muſt be remembered, that thoſe profits are no profits to the nation.

Now let us reverſe the ſuppoſition, and conſider what would be the conſequence to the nation, were the preſent number of retailers diminiſhed one-half. As the number of purchaſers, on this ſuppoſition, would ſtill remain the ſame, and the quantity of commodities would alſo be the ſame, the retailers who ſold thoſe commodities would one with another have double the buſineſs; conſequently if they could live upon their former profits, they would now live juſt as well, were they to lower their profits one-half; and by ſo much as thoſe profits were lowered, by ſo much would all buyers have commodities cheaper. Therefore, ſuppoſing the ſum total of the retailers annual profits ten millions, were their number diminiſhed one-half, they would juſt be as rich with an annual profit of five millions, and the community

nity would be eaſed of an annual burden of five millions.

How widely different would be the conſequences of an augmentation or diminution of huſbandmen or of manufacturers! Suppoſe, for inſtance, that the preſent number of huſbandmen furniſhed ample ſubſiſtence to the whole nation, and that nevertheleſs, by a gradual influx of foreign farmers, Palatines, for example, the number of huſbandmen was augmented; if thoſe new farmers could not find purchaſes for their produce at home, they would nevertheleſs, by their labour, furniſh food for themſelves, and enable the merchants to export corn abroad, without leſſening the national ſtock. This ſhews the ſhallowneſs of Dean Swift's obſervation, that the Palatines, who came hither in Queen Anne's time, and afterwards emigrated to Pennſylvania, would eat the bread out of the mouths of the natives; and it points out to us the additional benefit the nation might receive in encouraging the exportation of corn and proviſions, particularly to our Weſt India iſlands,

iſlands, now very impolitically ſupplied in a great degree by foreigners.

What is ſaid of huſbandmen is equally applicable to manufacturers: for to ſpecify only one branch; were a thouſand new ſhoemakers to be eſtabliſhed in the nation, though they ſhould not take one cuſtomer from the old ſhoemakers, they would nevertheleſs furniſh ſhoes to themſelves, and likewiſe a ſupply for exportation, which exportation would bring in a return either of bullion or of foreign merchandize, ſuch as wine, ſilk, cotton, &c. and conſequently would add to the national ſtock, and occaſion abundance and plenty.

If ſuch good effects would follow from an increaſe of the number of huſbandmen and manufacturers, the bad effects that would be felt from a diminution of their number need not be particularized, as they would be preciſely the reverſe of the former. But without further enlargement, we may, on the whole, from the preceding reaſoning, draw the following political corollary, which a wiſe ad-

miniſtration will never forget: *That the increaſe of the number of huſbandmen and manufacturers tends to make things cheap; but on the contrary, the increaſe of Retailers, beyond a certain number proper for competition, tends to make things dear.*

I may therefore, I think, now venture to affirm, that the Chancellor of the Exchequer, in propoſing the Retail-tax, has been better adviſed than the oppoſers of the tax have ſuſpected him to be; and that whoever ſuggeſted the tax, did not only a very good turn to adminiſtration, but an eſſential and laſting ſervice to the nation in general. This tax, amended as I propoſe, will not only bring in an annual income into the exchequer; but over and above, it will be productive of a great and perpetual income to the whole kingdom. So far from hurting trade, it will, in the words of Melon, found an eternal ſchool of manufacturers, a ſchool which will every day prove more and more advantageous to the ſtate. How happy would it be for Great Britain, if all her taxes were founded on ſuch ſolid political principles!

Had the common-council of London not ſuffered their good underſtanding to have been ſurpriſed on the preſent occaſion, I perſuade myſelf they would not have countenanced the ſmalleſt oppoſition to the tax, nor have hazarded, upon a haſty debate, the moſt Anticommercial Reſolution to be found upon the City Records. If they had conſidered how to amend the tax, rather than how to repeal the tax, they would have ſhewn themſelves much better friends to the ſplendor and opulence of the capital. Manchester, Norwich, Leeds, Birmingham, Preſton, Tiverton, and many other towns that might be mentioned, would to this moment have remained inſignificant villages, if all their boaſt had been to abound in Retail-ſhops; and ſhall other principles actuate the corporation of London, than what have influenced the conduct of inferior corporations, and have been the means of raiſing them into great and opulent towns? If London would maintain the firſt rank among commercial cities, it is not by a multiplicity of Retail-ſhops, but by abounding in richer merchants, and more expert manufacturers, than are to be met with in any

other city; and the Retail-tax has the political tendency to enſure to her that pre-eminence.

Should my preſent diſcourſe find its way into Ireland, which I hope it may, I make no doubt, from the opinion I have of the wiſdom of the Legiſlature of that kingdom, but they will ſoon follow the example of Great Britain in regard to this regulation, and eſtabliſh a tax upon the Retailers in Ireland, as a meaſure naturally tending to encourage induſtry, and to multiply manufacturers among them.

As a further encouragement to the manufacturer, I would propoſe, that where any perſon actually manufactures the goods which he ſells, he may, if he pleaſes, ſell more of that kind of goods than he himſelf makes, without being deemed a Retailer. Thus every hoſier that keeps a ſtocking frame in conſtant work, may be deemed a manufacturer; tho' he ſhould ſell three or four times as many ſtockings as he makes. The ſame may be allowed to hatters and others; for when they once find the advantage ariſing from manufacturing

facturing their own goods, they will have very little desire to sell the goods of other people; but will augment their manufacture at home, in proportion to their trade. In this view, the act for the Retail-tax ought to change its title, and be entitled, AN ACT FOR THE ENCOURAGEMENT OF MANUFACTURERS.

Should any Retailer, in consequence of this amendment, and to avoid paying the tax, become a real manufacturer, the nation, as I have above observed, will receive more than a full indemnification for the loss of the tax; therefore the mover of the amendment may justly say, that he wishes the tax may prove *unproductive*. As to the sham manufacturers, I think we may safely trust to their being hunted out by the real manufacturers, who for their own sakes will be zealous enough in stripping them of their foreign feathers. I would therefore further propose, that all frivolous disputes, or claims of persons pleading the title of manufacturers, should be decided by the verdict of a jury of twelve manufacturers

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in that branch, of which the claimant ſhould allege himſelf to be.

A manufacturer that is encouraged to *ſell*, is doubly encouraged to *work*; conſequently the Retail-act, with theſe amendments, would give the faireſt opportunity to the young enterpriſing, manufacturers of being able to ſubſiſt a family in ſome corner of the iſland or other; which would induce them to marry, and be a means of keeping them in the kingdom; and would check any ſpirit of emigrating to America, from a miſtaken notion of better encouragement there than at home. The ſupernumeracy Retailers, who refuſed to become manufacturers, might go thither if they pleaſed; for it is that kind of thin unpeopled country, which is beſt ſuited to their buſineſs.

Without the manufacturer there would be no merchant; and the former is even of more conſequence to an extenſive and well regulated ſtate, than the latter. The merchant often drains off the wealth of his own country, by

adminiſtering foreign luxuries; but the manufacturer, while he augments his own fortune, cannot but augment the general proſperity and wealth; and where there are manufacturers in all trades, and in all arts, we can hardly ſuppoſe a people placed in a temperate climate, to be in want either of the neceſſaries or of the elegancies of life, whether they have many merchants or not. What a manufacturer chiefly deſires is, to be employed, and to have wages ſufficient to ſubſiſt him; and if he obtains thoſe two points, he ſeldom fails to marry; therefore a financial law, tending to promote general induſtry throughout the whole iſland, and to free the manufacturer from a ſlaviſh ſubjection, either to the Retailer, or engroſſing manufacturer, when candidly and fairly conſidered, muſt certainly be approved as a very politic meaſure.

Engroſſers of induſtry, as well as engroſſers of proviſions, have always been deemed prejudicial to commerce. In the reigns of Queen Elizabeth, and King James I. the grants of monopolies were reckoned among the greateſt grievances of the times; and ſurely it would be

be moſt impolitic, were twenty or thirty perſons to ſhut up all the ſhoemakers ſhops in London, in conſequence of a monopoly, by patent, of being the ſole venders of ſhoes. But the practice of the Retailers is only this abſurdity in a ſmaller degree; for how many Retailers are there, who ſell the manufactures of twenty different artificers, tho' thoſe artificers reſide in the ſame town? Why ſhould one man weave the ſtockings, and another man ſell them? Why ſhould one man make the hat, and another man ſell it, when both the maker and the ſeller, perhaps, reſide in the ſame pariſh? This intermediate ſeller between the manufacturer and the purchaſer, greatly reſembles thoſe tenants, who, inſtead of cultivating their farms themſelves, leaſed them to others at an advanced rent, part of which they paid to the real proprietor of the land, while they themſelves lived idly upon the remainder. England was formerly curſed with ſuch tenants as theſe; and the proſperity of Scotland and Ireland is ſtill retarded by them. But the Retailers, in many caſes, carry the abuſe farther than the above-mentioned kind of tenants; for often one Retailer ſells to a

ſecond,

ſecond, and that ſecond to a third, by which means the manufacturer comes loaded to the conſumer with three or four profits, inſtead of one profit, were the *maker* to be the *ſeller*.

Storehouſes or truckhouſes in America, are nothing elſe but great Retailing-ſhops upon a very large and general plan; which kind of houſes would certainly not be neceſſary, if the artificers of all the manufactures ſold there reſided on the ſpot; for common ſenſe would teach even the Indians, to go to each artiſt for the manufacture made by him, as the moſt natural means of having it cheap.

Retailers, in like manner, are a kind of neceſſary evil in ſtates, where there are few *manufacturers*; and they may be ſaid to be uſeful in towns, where manufacturers in all branches are not reſident; for the buyer even gains ſomething in paying a little dearer to the Retailer, rather than go twenty miles off in ſearch of the manufacturer. But it is a very great abuſe, and a great negligence, in the internal regulations of a ſtate, to ſuffer a Retailer and a manufacturer of the ſame com-

modity, to live in the ſame town, without taxing the former, who is a mere unneceſſary idler and interloper, and encouraging the latter by an exemption from the tax*.

Upon the principles above explained, the Retail-tax ſo far from appearing detrimental to trade, may, I think, be concluded to be, in fact, an encouragement of trade and manufacture; therefore, ſhould it not be found effectual in leſſening the number of idlers, and turning the ſupernumerary Retailers to induſtry, it may perhaps in future years be expedient to augment it, till it has the deſired effect. When a tax is meant as a prohibition or reſtraint, it is not at all improper to make it very conſiderable. In the reign of Hen. VI. a tax of 61. 13s. 4d. was laid upon every

* About the beginning of this century, the king of Sardinia impoſed a heavy tax upon all the farmers of Piedmont; but exempted from the tax thoſe farmers, who ſhould plant a certain number of mulberry-trees. This financial operation had the deſired effect. Every farmer ſtrove to avoid the tax by entitling himſelf to an exemption; and the mulberry-trees, then planted, have been great ſources of annual wealth to the Piedmonteſe, by enabling them to extend their foreign ſale of ſilk.

foreign merchant that was not a denizen; which ſum, when the value and ſcarcity of money in that reign is compared to the plenty and value of money in modern times, would make more than 50l. of our preſent money. And we ſee the lately impoſed tax of 50l. upon the lottery-office keepers, has not had the effect of ſuppreſſing, or hardly even of diminiſhing, the number of thoſe Retailers of moonſhine.

In regard to itinerant Retailers, that is Hawkers, and Pedlars, tho' the tax upon them has lately been augmented, I hope it has not been ſo raiſed as to diminiſh their number; for I venture to affirm, that their employment is, in reality, more conſiſtent with the principles of true policy, than the employment of ſmall Retailers ſettled in the midſt of manufacturers. The pedlars encourage conſumption, by carrying goods to remote places where there are no manufacturers, whereas the laſt ſerve the buyer with what he might have perhaps at the next door. The hawkers of merchandize are, to the nation in general, what the hawkers of fiſh are to the

inhabitants of the metropolis; they contribute greatly to the more general conſumption; therefore it would be as bad policy to ſacrifice their profeſſion to the intereſt of the Shopkeepers, as it would be detrimental to our fiſhery, and to the ſupply of London, to confine the ſale of fiſh ſolely to the fiſhmongers. The pedlars it is alleged, ſpoil the buſineſs of the Shopkeepers of Pool. But do the crews of the Newfoundland ſhips make any ſuch complaint; and are not the buyers as much entitled to the favour of the legiſlature as the ſellers? Had the Pool Shopkeepers not aimed at a monopoly againſt the Newfoundland traders, they would not raſhly have expoſed themſelves, by complaining of the competition of the pedlars; for by ſuch complaint, they only warn thoſe traders to give all manner of encouragement to ſuch competion, as the moſt likely means of purchaſing upon reaſonable terms. What may be for the intereſt of the Shopkeepers of Pool, may not perhaps be for the intereſt of the Corporation of Pool, who if they would look abroad, would find that the cities of Frankfort and Leipſic have made themſelves great centres of commerce, not by favouring a monopoly of their own

own Shop keepers, but by giving every encouragement to ſellers from all parts of Europe, which draws buyers from all parts of Europe likewiſe.

I ſhall, for the preſent conclude, theſe my remarks upon the Retail-tax, which probably would never have been made, had not ſome of the news-papers, for ſeveral months paſt, overflowed with ignorant maxims, and factious paragraphs in reſpect to this tax, tending to miſlead ſuperficial reaſoners, and to ſow diſcontent throughout the nation. To ſum up the whole, I ſhall only obſerve, that the loſs occaſioned by Retailers, has not entirely eſcaped the notice of our anceſtors; but they ſeem to have conſidered it in a very partial view: In the reign of Richard III. it was enacted, *That no alien ſhould be a Retailer*; and in the reign of queen Mary, a law paſſed, making it penal for any perſon, not an inhabitant, *to ſell goods by Retail in towns corporate, or market towns, except in open markets*, that is, (if a fair comment be made on thoſe laws) the inhabitants of each town were ſenſible, that foreign Retailers coming among them, carried

carried off ſome profits from them; but they never perceived that their own Retailers did the ſame by ſubſiſting without induſtry, upon the profits drawn from their fellow townſmen.

I have here conſidered Retailers in a more general view than our anceſtors did; and if the principles, which I have endeavoured to illuſtrate be juſt, I think we need not make any ſcruple of declaring, the greateſt number of thoſe who are employed in ſelling goods by Retail to be mere idlers. The Retail-tax, therefore, amended as I propoſe, would neither be a tax upon *induſtry* nor upon *luxury*, but a tax upon *idleneſs*; conſequently it ought to have the approbation of all the *induſtrious*.

THE END.